

## Message Text

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P 291338Z APR 77  
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TO USDOC WASHDC PRIORITY  
INFO SECSTATE WASHDC 287  
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AMCONGEN THESSALONIKI

UNCLAS SECTION 1 OF 2 ATHENS 3953

MILAN FOR MTC

E.O. 11652: N/A  
TAGS: ETRD, BEXP, GR  
SUBJ: FY 78 COMPUTER SYSTEMS FOR BUSINESS, INDUSTRY AND GOVERNMENT  
T.S.S. JANUARY '78

REF: USDO  
03232

FOLLOWING IS INFORMATION ON GREEK COMPUTER MARKET REQUESTED IN REFTEL

1. RECEPTIVGTY: GREECE'S APPLICATION FOR EARLY MEMBERSHIP IN  
COMMON MARKET HAS INCREASED AWARENESS IN GOVERNMENT AND  
PRIVATE SECTORS THAT EFFECTIVE COMPETITION WITH MEMBER STATES  
WILL REQUIRE INCREASED EFFICIENCY AND BETTER UTILIZATION OF  
COMPUTER SYSTEMS. COMMERCIAL SOURCES REPORT, NEVERTHELESS,  
THAT PROGRESS TODATE HAS BEEN SLOW BECAUSE OF  
DIFFICULTY IN ADAPTING LOCAL BUSINESS PRACTICE TO COMPUTER USE AND  
UNDER-UTILIZATION OF EXISTING INSTALLATIONS. TRADE  
CONTACTS ARE UNABLE TO QUANTIFY PRESENT NEEDS, HOWEVER, OR  
TO PROVIDE PRECISE INFORMATIOVN ON SHORT OR LONG-RANGE  
PRCUREMENT PROGRAMS IN GOVERNMENT OR PRIVATE SECTORS.  
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PROCUREMENT OF COMPUTERS BY GOVERNMENT AND  
SEMI-GOVERNMENT ORGANIZATIONS IS THROUGH TENDERS ISSUED BY  
DIRECTORATE FOR RESEARCH AND COMPUTERIZATION(DIEM) OF  
MINISTRY TO PRIME MINISTER. THERE IS NO SPECIAL PROVISION  
FOR COMPUTERS IN FIVE-YEAR PLAN, AND EACH MINISTRY OR  
ORGANIZATION MUST MEET COST OF PURCHASE OR RENTAL OF  
COMPUTERS FROM OWN FUNDS. COMMERCIAL SOURCES ALOS

REPORT THAT APPLICATIONS TO DIEM FOR INSTALLATION OF COMPUTERS ARE FREQUENTLY DELAYED BECAUSE OF DIEM EMPHASIS ON FULL UTILIZATION OF EXISTING INSTALLED COMPUTERS BEFORE NEW PROCUREMENT. ACCORDING TO GREEK PRODUCTIVITY CENTER (ELKEPA), A SEMI-GOVERNMENT AGENCY WHICH RECENTLY CONDUCTED A SURVEY OF GREEK COMPUTER MARKET, BUSINESS AND INDUSTRY RECEPTIVITY IN RECENT YEARS HAS BEEN LESSENER BY UNSUCCESSFUL INITIAL EXPERIENCE WITH COMPUTERIZATION. LACK OF ADEQUATE FEASIBILITY STUDIS AND PERSONNEL WITH ANALYTICAL AND PROGRAMMING ABILITIES HAS ALSO ADVERSELY AFFECTED THIS MARKET. RECENTLY, HOWEVER, THERE HAS BEEN SOME IMPROVEMENT, ACCORDING TO ELKEPA STUDY, AND THERE IS NO PRESENT SHORTAGE OF ADEQUATE PROGRAMMERS. SPECIALISTS TO CARRY OUT FEASIBILITY STUDIES ARE STILL IN DEMAND, AND THERE IS ACUTE SHORTAGE OF ANALYSTS. THERE ARE CURRENTLY SEVERAL PRIVATE TRAINING INSTITUTIONS, AS WELL AS A ONE-YEAR COURSE AT ATHENS UNIVERSITY OF RPROGRAMMERS. ELKEPA AND FOREIGN FIRMS MARKETING COMPUTERS ALSO UNDERTAKE TECHNICAL SEMINARS AND TRAIN PROGRAMMERS.

2. INDUSTRY: THRE IS NO COMPUTER INDUSTRY IN GREECE AND MARKET REQUIREMENTS ARE MET THROUGH IMPORTS. ELKEPA STUDY INDICATES THAT 174 COMPUTERS WERE INSTALLED IN GREECE BY EARLY 1976, OF WHICH 173 WER OF US ORIGIN AND ONE FROM U.K. THE MAJORITY OF THESE COMPUTERS ARE INSTALLED IN THE GREATER ATHENS AREA.

IT SHOULD BE NOTED, HOWEVER, THAT ELKEPA AND MAJOR LOCAL FIRMS OD NOT CLASSIFY "VISUAL RECORD COMPUTERS" (VRC'S) AS COMPUTERS, BUT AS ADVANCED ELECTRONIC ACCOUNTING UNCLASSIFIED

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MACHINES. ELKEPA FIGURES DO NOT, THEREDORE, INCLUDE VRC'S. ALSO EXCLUDED FROM FIGURES ABOVE ARE COMPUTERS IN USE AT FOREIGN MILITARY OR DIPLOMATIC INSTALLATIONS IN GREECE. COMPUTERS AND VRC'S ARE NOT SEPARATELY ITEMIZED IN GREEK TARIFF SHECDULE, AND IMPORT STATISTICS INCLUDE BOTH. CY 1975 COMPUTER AND VRC IMPORTS TOTALLED 294 UNITS WORTH 72 MILLION DRACHMAS(DOLS 2.2 MILLION AT DOLS 1.00 EUAL 32.3 DRACHMAS). IMPORTS DURING JANUARY - NOVEMBER 1976 (LATEST FIGURES AVAILABLE) REACHED 431 UNITS WORTH 150 MILLION DRACHMAS (DOLS 4.1 MILLION AT DOLS 1.00 EQUAL 36.5 DRACHMAE) MAIN SUPPLIER COUNTRIES, ACCORDING TO NATIONAL STATISTICAL SERVICE, WERE:

	1975		JAN.-NOV 1976	
	UNITS	000 DRS.	UNITS	000 DRS.
U.S.A.	110	31,167	165	71,763
W. GERMANY	83	17,764	75	20,199
UNITED KINGDOM	29	5,184	72	28,076
FRANCE	27	9,961	23	13,358
BELGIUM/LUXEMBOURG	19	4,015	14	7,790

ELKEPA STUDY PROVIDES THE FOLLOWING BREAKDOWN OF GREEK COMPUTER  
POLULATION:

INSTL- LATIONS	NO. OF COMPUTERS	PERCENT OF TOTAL NO. OF COMPUT.
GOVERNMENT SECTOR	29	47 27.0
PRIVATE SECTOR		
INDUSTRY	60	61 35.1
MINES	2	2 1.2
OTHER SEMI-GOVERNMENT AND PRIVATE SERVICES INCLUDING BANKS, HOSPITALS INSURANCE COMPANIES, TRADING FIRMS, TECHNICAL AND PETROLEUM COMPANIES, TRANSPORT, AND EDUCATIONAL INSTITUTIONS	46	50 28.7
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SERVICE BUREAUS	13	14
TOTAL	150	174 100.0

INSTALLED COMPUTERS ARE OF FOLLOWING MAKES:

	NO. OF COMPUTERS	MARKET SHARE(PERCEN
T)		
IBM	74	42.5
HONEYWELL BULL	35	20.1
UNIVAC	14	8.0
CONTROL DATA	13	7.5
BURROUGHS	11	6.3
NATIONAL CASH REGISTER	9	5.2
DIGITAL EQUIPMENT	8	4.6
DATA GENERAL	5	2.9
HEWLETT PACKARD	3	1.7
INTERDATA (SUBSIDIARY OF PERKIN ELMER)	1	0.6
ICL (U.K)	1	0.6
TOTAL	174	100.0
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SINCE COMPLETION OF ELKEPA STUDY IN FEBRUARY 1976, 26 TO 36  
ADDITIONAL COMPUTERS (MAINLY MINI, SMALL AND MEDIUM SIZE  
GENERAL PURPOSE) HAVE REPORTEDLY BEEN INSTALLED, REPRESENTING  
15-20 PERCENT INCREASE.  
TRADE SOURCES ESTIMATE THAT A TOTAL OF ABOUT 150 VRC'S  
HAVE BEEN INSTALLED IN GREECE. MAIN SUPPLIERS ARE NCR, WANG,  
NIXDORF (W. GERMANY), KIENZLE (W. GERMANY), DARO (E.  
GERMAN) AND LOGABAX (FRENCH). COMMERCIAL SOURCES  
REPORT GRADUAL PENETRATION BY NIXDORF MINI AND MEDIUM-SIZE  
MODELS IN GENERAL PURPOSE COMPUTER MARKET.  
COMMERCIAL SOURCES ESTIMATE TOTAL ANNUAL EXPENDITURE  
FOR COMPUTERS OF ABOUT DOLS 10 MILLION WITH ANNUAL GROWTH OF 25  
PERCENT IN INSTALLED MINI-COMPUTERS AND 20 PERCENT FOR SMALL AND  
MEDIUM-SIZE SYSTEMS. DEMAND FOR LARGE OR SUPER LARGE  
COMPUTERS IS EXPECTED TO DECREASE. TRADE CIRCLES ALSO  
INDICATE THAT UP TO NOW COMPUTERS WERE MAINLY USED FOR  
"BREAD AND BUTTER" APPLICATIONS INCLUDING INVENTORY CONTROL,  
PAYROLL, AND OTHER SIMPLIFIED FUNCTIONS. DEMAND FOR MORE  
SOPHISTICATED MODELS FOR ADVANCED APPLICATIONS IS EXPECTED  
TO INCREASE GRADUALLY WITH IMPROVED BUSINESS ORGANIZATION  
AND GREEK ENTRY IN THE EC.  
FIRMS PRESENTLY REPRESENTED IN GREEK MARKET HAVE  
CAPABILITY TO MEET ESTIMATED PRESENT AND FUTURE REQUIREMENTS,  
AND U.S. FIRMS WITH SUBSIDIARIES OR BRANCHES IN GREECE OFFER  
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FEASIBILITY STUDIES, MAINTENANCE AND SERVICING. SOME  
SMALLER FIRMS OR LOCAL AGENTS, HOWEVER, DO NOT PROVIDE  
ADEQUATE SERVICING. FIRMS MARKETING COMPUTERS ALSO  
GENERALLY PROVIDE SFTWARE.

3. BEST SALES POTENTIAL: LOW PRICE, ON-LINE MINI-  
COMPUTERS(DATA PROCESSING APPLICATILNS) AND SMALL AND  
MEDIUM-SIZE SYSTEMS PRESENTLY OFFER BEST SALES POTENTIAL

IN GREECE. PRICES FOR SUCH SYSTEMS REPORTEDLY RANGE BETWEEN DOLS 30,000 AND DOLS 100,000 FOR MINI COMPUTERS, DOLS 100,000 AND DOLS 250,000 FOR SMALL SYSTEMS AND DOLS 250,000 AND DOLS 800,000 FOR MEDIUM-SIZE SYSTEMS. AS COMMERCIAL FIRMS BECOME BETTER ORGANIZED, DEMAND FOR SOFTWARE PACKAGES (MARKETING FORECAST AND FOLLOW-UP, MANAGEMENT INFORMATION SYSTEMS FOR MEDIUM TO LARGE COMPANIES, DATA BASE MANAGEMENT SYSTEMS, AND PROJECT CONTROL) IS ALSO EXPECTED TO INCREASE.

4. EXTERNAL FINANCIAL ASSISTANCE: EXTERNAL FINANCIAL ASSISTANCE (EXIM BANK) WOULD BE IMPORTANT FACTOR IN SALE OF COMPUTERS, PARTICULARLY IN VIEW OF COMPETITIVE FINANCING FROM GERMAN AND FRENCH OFFICIAL AGENCIES FOR EQUIPMENT FROM BOTH US SUBSIDIARIES IN EUROPE AND FOREIGN COMPETITORS. BECAUSE OF COST CONSIDERATIONS, A HIGH PERCENT OF EXISTING COMPUTERS OPERATE ON RENTAL BASIS.

5. POSSIBILITIES FOR JOINT VENTURES, LICENSING, LEASING: CONSIDERABLE POTENTIAL EXISTS FOR JOINT VENTURES FOR ASSEMBLY OF COMPUTERS IN GREECE FOR DOMESTIC MARKET AND EXPORT TO MIDDLE EAST. COMMERCIAL SOURCES REPORT ADEQUATE SUPPLY OF ELECTROICS ENGINEERS AND BELIEVE THAT LOCAL ASSEMBLY PLANT COULD EVENTUALLY EXPAND TO PRODUCTION OF MODEMS, DISPLAY CRT'S TERMINALS AND OTHER COMPONENTS. LOCAL MARKET WOULD ALSO BE RECEPTIVE TO JOINT VENTURE FOR COMPUTER MANAGEMENT AND CONSULTING.

TRADE CIRCLES BELIEVE THAT LEASING, AS DISTINCT FROM EQUIPMENT RENTAL BY SUPPLIER'S IS NOT UNCLASSIFIED

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FEASIBLE IN GREECE, SINCE GREEK USERS ARE DEPENDENT ON SPECIALIZED ASSISTANCE AND SUPPORT FROM SUPPLIERS.

6. SUGGESTED SEMINAR TOPICS: FOLLOWING WOULD BE PROMISING TOPICS FOR SEMINAR IN GREECE:

A. COMPUTER POTENTIAL FOR GREEK INDUSTRY, BUSINESS AND GOVERNMENT.

B. HARDWARE AND SOFTWARE TRENDS.

C. DATA BASE ORGANIZATION.

D. DATA PROCESSING TRENDS IN BANKING AND SELECTED INDUSTRY SECTORS INCLUDING REFINERIES.

E. COMPUTER BASED EDUCATION.

F. MANAGEMENT OF AN EDP INSTALLATION.

G. EDP PROCUREMENT TECHNIQUES AND PROCEDURES FOR GOVERNMENT AND PRIVATE SECTORS.

H. CONTRACTING FOR EDP SYSTEM.

I. DISTRIBUTOR PROCESSING IN COMPUTERS.

7. TRADE RESTRICTIONS OR OTHER BARRIERS: THERE ARE NO TRADE RESTRICTIONS OR OTHER BARRIERS TO SUCCESS OF SEMINAR.

BOTH GOG OFFICIALS AND BUSINESS HAVE INDICATED TO US STRONG  
SUPPORT FOR PROPOSED SEMINAR.  
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## Message Attributes

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